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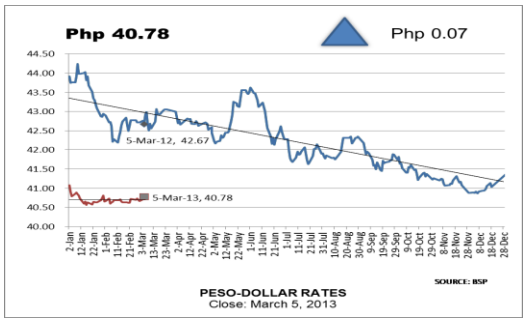
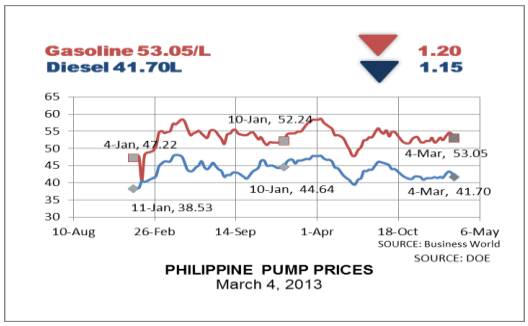
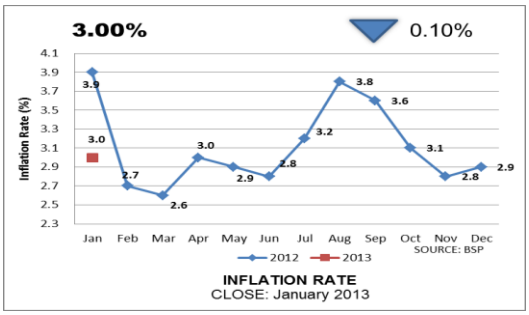
Changing News. Your Guide. AVID Daily E- News March 6, 2013 Volume 5 No. 53







	Monday, 4 March 2013	Last Week	Year ago
Overnight Lending, RP	5.50%	5.50%	6.50%
Overnight Borrowing, RRP	3.50%	3.50%	4.50%
91 day T Bill Rates	0.05%	0.20%	3.85%
Lending Rates	7.09%	7.11%	7.79%

MACROECONOMIC SNAPSHOT

Latest deficit count: P242.8B

The government posted a budget gap equivalent to 2.3% of gross domestic product (GDP) in 2012, slightly more than an earlier estimate released last month but still short of the cap programmed for that year. Data uploaded on the Department of Finance (DOF) Web site late on Sunday but pulled out yesterday afternoon showed that the deficit last year settled at P242.8 billion, 22.78% more than the P197.75 billion posted in 2011. This is equivalent to 2.3% of GDP and well below the P279.1-billion cap set for 2012, or 2.6% of the economy. The Finance department's media relations office, in an e-mail, maintained that the latest data were still "preliminary," adding that official figures will be released either today or tomorrow. (BusinessWorld)

Custom's P22.8-B Feb. take still short P1.24-B

The Bureau of Customs (BOC) collected a little over P22.8 billion in revenue in February, around P614 million, or 2.8 percent, more than it collected in the same period last year. Last month's revenue, however, was P1.24 billion short of the Department of Finance-attached agency's collection target of P24.04 billion. Customs Commissioner Ruffy Biazon on Monday said that the agency's preliminary figures for February put cash collections at P22.8 billion. "On a year-on-year basis, our January-February collections are P3.14 billion, or a 7.1-percent increase over revenue during the same period in 2012," Biazon said in a text message to the Inquirer. (Philippine Daily Inquirer)

Swedish firms investing in manufacturing

Swedish firms are planning to invest in the domestic manufacturing sector, Trade Undersecretary and Board of Investments managing head Adrian S. Cristobal Jr. said. Cristobal said this after conducting an investment briefing for the Swiss business delegation that included Atlas Copco, Celemi, Clean Motion, Comex International, Electrolux, Ericson, Handelsbanken, Ikano, SEK, Tetra Pak, Volvo and the Swedish Foreign Trade Association. The DTI presented investment opportunities in the Philippines for Swedish investors, which are in the areas of Public-Private Partnership (PPP), Renewable Energy, Information Technology/Business Process Outsourcing (IT/BPO), Tourism and Agri-business. (Manila Bulletin)

FINANCIAL TRENDS

Index rebounds on bargain hunting

Two days of decline in share prices encouraged investors to seek bargain stocks, pushing the main index past the 6,700 mark anew. The Philippine Stock Exchange index clawed back to the positive territory, gaining 1.12 percent or 74.16 points to 6,711.72. It breached the all-time high record with an intraday peak of 6,723.71. (The Philippine Star)

P/$ rate closes at P40.715/$1

The peso exchange rate closed higher at P40.715 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEx) from P40.775 the previous day. The weighted average rate appreciated to P40.715 from P40.778. Total volume amounted to $842.285 million. (Manila Bulletin)

INDUSTRY BUZZ

Rising demand prods Isuzu to study expansion in PHL

Isuzu Philippines Corp. (IPC) is mulling over an expansion of its assembly operations at the Laguna Technopark in Biñan, Laguna. Arthur D. Balmadrid, IPC senior vice president, said the expansion would hinge on government approval of incentives and an automotive road map. If that happens, most likely IPC would consider the expansion because this would be beneficial to local manufacturers. This would have a big multiplier effect because the downstream industry is big, like the dealers and makers of accessories, and local parts, Balmadrid said. He said IPC plans to increase production by a tenth to 13,000 units this year on account of a projected growth in demand. "We expect to have a sales growth of 10 percent compared to last year. The industry itself is also projecting the [same] growth in sales volume," he said. (Business Mirror)

Jaguar studying full production in India

Jaguar Land Rover (JLR) is investigating the potential of manufacturing cars in India, company sources said, as the British luxury carmaker looks to build on its growth in emerging markets with the help of Indian parent Tata Motors. JLR, which has ridden a wave of surging demand in China and other emerging markets to post record profits over the past year, is "actively exploring the possibility" of building cars from scratch in India, said one company source. "The idea is being looked into, with the (Jaguar) XF and (Land Rover) Freelander the obvious candidates," said another source with knowledge of the matter. (BusinessWorld)